



# G20 Roadmap for Enhancing Cross Border Payments

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Scorecard report on direct access  
and price transparency

November 2024

**7Wise**

# 1. CONTEXT

The **G20 Roadmap for Enhancing Cross-Border Payments** was created to address inefficiencies and challenges in the global cross-border payments landscape.

These challenges include high costs, low speed, limited access, and insufficient transparency for wholesale and retail payments, as well as remittances.

Improving cross-border payments is critical because it can support international trade, financial inclusion, economic growth and development.

The [G20 Roadmap for Enhancing Cross-Border Payments \(2020 - 2027\)](#) has five main priority focus areas, divided into 19 building blocks. Of these, this document will focus on building blocks 2 and 10:

## Building Block 2.

Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)

## Building Block 10.

Improving direct access to payment systems by banks, non-banks and payment infrastructures

The four pillars of the Roadmap are access, transparency, cost, and speed. This report focuses on access and transparency, as progress in these areas is essential for reducing costs and increasing speed. Despite four years having passed since the launch of the Roadmap, there remains a significant imbalance in the information available to retail consumers, which impedes their ability to make informed decisions. This, in turn, affects the competitive dynamics necessary for market change. Consequently, there are still considerable additional costs that exceed what can be reasonably attributed to the value of the service, adversely affecting some of the world's poorest consumers.

Our critique of the Roadmap lies in Building Block 2, which encompasses all elements of transparency in cross-border payments, not solely cost, making it challenging to measure meaningfully. Therefore, this report will concentrate specifically on price transparency.

This report aims to identify the position of each G20 member—both individually and in relation to one another—regarding their commitments to enhancing price transparency in cross-border payments for end users and improving direct access to payment systems for non-bank institutions. We will assess progress using a scorecard developed for each pillar, as outlined below.

# 2. CRITERIA FRAMEWORK

## Direct Access

The Committee on Payments and Market Infrastructures (CPMI) Monitoring Survey provides a detailed analysis of RTGS (Real-Time Gross Settlement) payment system, Faster Payment System (FPS) and Deferred Net Settlement (DNS) system access across different organisation types and compares domestic and foreign entities. The CPMI has categorised various organisation types, which we have grouped together for simplicity in this analysis.

| CPMI organisation categorisation                                   | Alternative categorisation |
|--|----------------------------|
| Commercial banks with a local presence                             | Banks                      |
| Commercial banks without a local presence                          |                            |
| Banks other than commercial (e.g. investment banks, payment banks) | Non-bank PSPs (NBPSPs)     |
| Supervised non-bank financial institutions                         |                            |
| Non-bank e-money issuers (including mobile money providers)        |                            |
| Money transfer operators   |                            |
| Post office (if not licenced as a bank)                            | Other                      |
| Central bank(s)  |                            |
| DNS system operator(s)   |                            |
| Faster payments system operator(s)                                 |                            |
| RTGS system operators  |                            |
| National Treasury  |                            |
| Payment cards network operator(s)                                  |                            |

The 'other' category - public institutions and publicly mandated institutions or organisations, as well as card operators - are not a concern for the purposes of this analysis. It will focus on NBPSP access to domestic RTGS, DNS and FPS. The nuances within the NBPSP category, based on licensing regime, terminology and local requirements, will be explored in the analysis below.

Further, the CPMI Monitoring Survey categorises levels of access to a domestic RTGS, DNS and FPS, which again we have grouped together for simplicity in this analysis.

### CPMI organisation categorisation

### Alternative categorisation

Direct access to a settlement account and central bank credit

Direct access

Direct access to a settlement account but not to credit

Can send transactions directly to the system, without having a settlement account

Indirect access

Can send transactions indirectly to the system via a direct participant, without having a settlement account

No access allowed

No access

We have defined full direct access as a firm having direct access to the payment system and in control of its own settlement account at the central bank. Any other type of access that still requires working with a sponsor has been defined as indirect access.

### Scorecard

Based on the above, we have created the following 'scorecard' system, against which we will evaluate members of the G20 on their progress towards Building Block 10:

**"Improving direct access to payment systems by banks, non-banks and payment infrastructures".**

1/5

Only licenced banks are permitted to have direct access to payment rails.

2/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

3/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

## Price Transparency

Transparency in cross-border payments is defined by the Financial Stability Board (FSB) as PSPs being required to provide a minimum list of information to end-users. The FSB outlines this as "including total transaction costs with relevant charges broken out - sending and receiving fees, FX rate and currency conversion charges; the expected time to deliver funds; tracking of payment status; and terms of service." As outlined above, this analysis will focus specifically on price transparency, i.e. FX rates and currency conversion charges (including FX margins).

Building on this framework, this analysis takes a more technical approach to how this is both achieved and enforced in domestic and regulatory environments, based on market research. This is because the [FSB's latest consolidated progress report for 2024](#) claims that "the percentage of services for which a breakdown of total fees and FX margin was provided by remittance service providers increased from 98% to 99% since 2023", with the caveat that "to be included in the dataset, a payment service must be transparent about its cost." We believe this dataset does not accurately reflect the true state of the market, and that the 99% claim significantly misrepresents what is the most common practice in industry, namely the padding of FX rates and the failure to disclose that up front, or at all.

The FSB's consolidated progress report does not consider whether FX fees are obscured in the payment process, or if domestic price transparency regulations exist but are ineffectively enforced across the G20. We suggest that the FSB should reevaluate the KPI methodology and data gathering process and in the interim, qualify the 99% claim with a cautionary note. Additionally, the FSB's Legal, Regulatory, and Supervisory (LRS) Taskforce should allocate sufficient resources to support an urgent review of price transparency as a priority.

We have conducted user market research across all G20 nations covered in this report. Our methodology involved analysing the payment flow of making an international transfer with both banks and non-bank

PSPs, and checking the exchange rate provided by the financial institution against the interbank mid-market exchange rate, provided by Google. We also checked through the payment flow for any tooltips or linked pages to see if any further information of FX margin padding was disclosed to the customer, up until the final execution of payment.

The country profiles in this report also feature examples of providers in each market, along with an assessment of their transparency regarding the pricing of international transfers. This evaluation employs a traffic light system based on the following definitions:

### RED

A financial institution conceals foreign exchange markups from the customer. These charges are not disclosed in the payment flow but are instead found outside of the customer experience, e.g. within the terms and conditions.

### AMBER

A financial institution obscures foreign exchange markups and/or other fees in the payment flow by promoting deceptive practices (e.g. "0% fee", "best rate"), and using tooltips or linked web pages that customers must click on to access this information and get an accurate idea of how much a transfer costs.

### GREEN

A financial institution communicates the cost of an international money transfer upfront, clearly displaying all fees, including any foreign exchange fees or mark-ups, to the consumer in a clear and comprehensible manner.

## Scorecard

We have created the following 'scorecard' system, against which we will evaluate members of the G20 on their progress towards Building Block 2:

**"Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)".**

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.

3/5

Existing regulation requires price transparency in cross-border payments, including FX markups, but this is not well enforced or the regulation is not strong enough to deliver price transparency for end users.

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.

5/5

All financial service providers are required to disclose the total cost up front to end users, including FX markups, when making a cross-border transfer.





# EUROPEAN UNION



## Direct Access



### Existing framework & access

In 2020, the European Commission consulted on its Retail Payment Strategy, which included questions around democratising access to its payment systems. In September that year, its adopted [Retail Payment Strategy](#) included an admission that “indirect access via banks may not be the best option for many non-bank payment service providers, as this makes them dependent on those banks.” That’s why the Commission committed to extending the scope of the [Settlement Finality Directive \(SFD\)](#). The SFD, a piece of legislation first introduced in 1998, defines the eligible participants in designated payment systems and it initially excluded non-bank e-money institutions and payment institutions from that list.

While the European Commission consulted on the extension of the participant list in the SFD in 2021, it was the EU’s [Instant Payments Regulation \(IPR\)](#), adopted in 2024, that introduced amendments to the SFD. This was not the European Commission’s initial intention, as the IPR mainly aimed to make euro instant payments mandatory. However, as the obligation to offer instant payments applied both to banks and to non-banks, it no longer made sense to exclude non-banks from direct payment system access. Via amendments proposed both by the European Parliament and the Council of the EU, the necessary changes to the SFD were included in the IPR.

From 9 April 2025, all EU Member States need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. However, there is a risk that some Member States will miss the transposition deadline. In its [‘Policy on access by non-bank payment service providers’](#), the Eurosystem has stated that if one or more Member States fails to transpose the SFD into national legislation on time, the date may need to be postponed.

Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with EU Member State central banks. Today, however, the only parties able to obtain a settlement account and participate directly in T2 (which replaced TARGET2, the EU’s real-time gross settlement system) are banks, certain investment firms and government bodies.

### Ongoing policy developments

To access a payment system, NBPSPs will need to provide assurances on safeguarding, governance and internal controls. In addition, they will also need to show a resolution plan (wind-up plan) in case of failure. EU Member States will need to define the procedure to assess compliance with these requirements when they transpose the rules in national law.

While the minimum requirements that should be assessed are clear, it is currently unclear how those will be assessed and what the access criteria will look like for NBPSPs. A harmonised access [framework](#) was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward.

### Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.\*

\*The EU has formally expanded direct access to non-banks through legislation passed in April 2024, but NBPSPs will not be able to begin integration with payment systems until April 2025. After NBPSPs begin to be onboarded to European payment systems, we anticipate the score to be upgraded to 5/5.

# Price Transparency



## Existing framework & regulations

The EU's [Second Payment Services Directive \(PSD2\)](#) entered into force in January 2018. It includes requirements for providing transparency to consumers in cross-border payments. It specifies that providers should disclose "all charges payable" to their customers, but most industry players have chosen to exclude any exchange rate markups from the "charges payable". The language in the regulations isn't sufficiently robust to ensure price transparency is implemented in practice by industry. As a result, industry practice was to hide any FX margins and claim low or no upfront fees for money transfers.

In 2019, the EU adopted the [Cross-Border Payments Regulation 2 \(CBPR2\)](#) to drive down the cost of cross-border payments within the EU. As it's a Regulation, it's legally binding across all 27 EU Member States and does not require national transposition. The CBPR2 included several provisions for cross-border payments to be transparent and show "all currency conversion charges" up front to customers. Through this regulation, financial services firms were required to:

- Inform a customer prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the estimated charges for currency conversion services applicable to the credit transfer.
- Provide the actual exchange rate that will be applied to the transaction as well as all charges related to the currency conversion service.

This is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU. However in practice, firms are circumventing these rules due to a lack of legal clarity that a firm using its own exchange rate, which is typically higher than the mid-market exchange rate, constitutes a "currency conversion cost" to the customer. In addition, the rules only apply for intra-EU payments, so any cross-border payments outside of the EU, which include most remittance corridors, are out of scope.

## Customer experience

As evidenced by the market practice examples, most providers have continued to hide fees in inflated exchange rates for intra-EU transfers. This indicated that CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency over the fees they pay.

Furthermore, each bank has a different way of communicating the exchange rate they use (if at all). This results in unnecessary complexity for consumers, who don't know how much they're overpaying for a money transfer. There are several ways in which European banks currently hide the exchange rate mark-ups or fees charged to consumers. The most common ones include:

- Showing no exchange rate information at all, making it difficult for consumers to compare exchange rate information without doing calculations themselves;
- Inflating their own exchange rate by adding an undisclosed mark-up without telling the consumer that what they're getting isn't the real exchange rate (presenting their own exchange rate as 'the' exchange rate). Occasionally stating that the transaction is for free;
- Hiding fees behind tooltips or linking consumers to separate websites or burying fees in long documents.

## Ongoing policy developments

In June 2023, the European Commission presented revisions to PSD2, now encompassing two legislative acts - a [Third Payment Services Directive \(PSD3\)](#) and a [Payment Services Regulation \(PSR\)](#). In the Commission's [Impact Assessment](#) on PSD2, it emphasised that costs related to currency conversion are an important share of total costs and that without full transparency, it is hard for consumers to compare charges of different providers and to make an informed decision, leading to choosing a provider that may not be the best for them. The Commission also recognises the goals of the G20 roadmap in this regard and the need to make progress towards them.

## EU payment providers' cross-border payment hidden fees based on customer payment journey data collected in January 2023 - February 2024

| Provider             | Exchange rate markup/hidden fee | Tranparency rating |
|----------------------|---------------------------------|--------------------|
| Swedbank (Estonia)   | 4.5%                            | ●                  |
| Swedbank (Lithuania) | 2.7%                            | ●                  |
| SEB (Estonia)        | 2.96%                           | ●                  |
| SEB (Lithuania)      | 2.81%                           | ●                  |
| Santander (Spain)    | 3.1%                            | ●                  |
| BBVA (Spain)         | 3.4%                            | ●                  |
| K&H (Hungary)        | 2.37%                           | ●                  |
| OTP Bank (Hungary)   | 1.06%                           | ●                  |
| Bank Polski (Poland) | 3.93%                           | ●                  |
| mBank (Poland)       | 2.8%                            | ●                  |
| HSBC (France)        | 3.78%                           | ●                  |
| ING (Belgium)        | 3.3%                            | ●                  |

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Consequently, the proposal for a PSR includes improved information requirements and a clear obligation to inform the consumer about the estimated charges for currency conversion up-front, including any foreign exchange rate mark-ups based on a reference exchange rate. The new rules bring all credit transfers and money remittance transactions into scope, extending previous price transparency rules from intra-EU transactions only to all transactions within the EU and from the EU to third countries, encompassing all outgoing remittances.

The reference exchange rate against which exchange rate mark-ups would have to be calculated and disclosed in the current legislative proposals are the European Central Bank (ECB) foreign exchange reference rates (ECBRRs) for transactions in euro or relevant Central Bank rates for other currencies. It is important to note that the ECB in its [opinion](#) on the PSD3/PSR strongly discourages using the ECBRRs for reference purposes, as this could create incentives for some market participants to trade at these rates. Furthermore, the ECBRRs are stale rates, updated only once per working day.

The European Parliament in its [position](#) agrees with the ECB's view, asking for the PSR to include a more appropriate reference to a foreign exchange benchmark rate that falls within the scope of the EU's Benchmark Regulation (i.e., a mid-market benchmark rate) and which may be used in the context of currency conversion charges.

The legislative negotiations on the PSR are still ongoing at the time of publication. As the rules within the PSR will be directly applicable, it will become part of the 27 EU Member State national law after its entry into force once adopted by the co-legislators.

## Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.





# EUROPEAN UNION

## GERMANY



## Direct Access



### Existing framework & access

Germany was supportive of the reforms undertaken at the EU level to amend the Settlement Finality Directive (SFD) via the Instant Payments Regulation (IPR), adopted in 2024.

From 9 April 2025, all EU Member States, including Germany, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. In Germany, this means that NBPSPs could join TARGET-Bundesbank to be able to facilitate SEPA (instant) credit transfers.

Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with the Bundesbank or any other EU central bank.

### Ongoing policy developments

A harmonised access framework was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward. It is currently unclear how Germany will look to implement the policy and what the application looks like.

### Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

# Price Transparency



## Existing framework & regulations

The PSD2 was transposed into German national law through the [Zahlungsdiensteaufsichtsgesetz \(ZAG\)](#), entering into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry. Following this, the EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in Germany.

German industry practice has largely been to hide any FX margins and claim low or no upfront fees for money transfers. Neither regulators, nor consumer organisations have taken up cases against payment service providers hiding fees in inflated exchange rates. The Federal Financial Supervisory Authority (BaFin) has been tasked with overseeing compliance and providing guidelines for implementing PSD2 and CBPR2 provisions.

## Customer experience

As evidenced by the market practice examples, most providers have continued to hide fees in inflated exchange rates for intra-EU transfers. This indicates that CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency over the fees they pay.

Providers hide fees by showing no exchange rate information at all, claiming zero transaction fees or by hiding transaction fees or exchange rates on a separate page that the customers have to click on and then calculate any exchange rate mark-ups themselves. In another case, they present their own exchange rates as 'the' exchange rate, without communicating the mark-up as an extra cost and stating that there are either only upfront fixed fees or that the transaction is for free.

Similarly to other EU countries, ING communicates their exchange rate mark-up as an extra cost (expressed as a "currency conversion fee"), marking it separately from the upfront transaction fee, making them transparent in Germany.

## German payment providers' cross-border payment hidden fees based on customer payment journey data collected in July 2023

| Provider    | Exchange rate markup/ hidden fee | Tranparency rating |
|-------------|----------------------------------|--------------------|
| Commerzbank | 3.27%                            |                    |
| Targo Bank  | 0.4%                             |                    |
| ING         | 1.12%                            |                    |

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

## Ongoing policy developments

In June 2023, the European Commission presented revisions to the PSD2, now encompassing two legislative acts - a Third Payment Services Directive (PSD3) and a Payment Services Regulation (PSR).

The legislative negotiations on the PSR are still ongoing at the time of publication. As the rules within the PSR will be directly applicable, it will become part of the German national law after its entry into force.

## Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.



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